

**REMARKS**

This Application has been carefully reviewed in light of the Office Action dated September 22, 2008. Claims 1-24 are pending. Applicant amends Claims 1, 10, and 12. Applicants respectfully request reconsideration and allowance of all pending claims

**Section 101 Rejections**

The Examiner rejects Claims 1-24 under 35 U.S.C. § 101 stating that the claimed invention is directed to non-statutory subject matter and that the claimed invention is not supported by either a specific and substantial asserted utility or a well established utility. Applicant respectfully traverses for at least the reasons below.

In determining whether a process is patent eligible under 35 U.S.C. § 101, the Supreme Court has articulated (and the United States Court of Appeals for the Federal Circuit has recently affirmed) the “machine-or-transformation test.” *Benson*, 409 U.S. at 70; *see also In re Bilski*, No. 08/833,892, 2008 WL 4757110, at \*11, (Fed. Cir. October 30, 2008). Under the “machine-or-transformation test” a claim directed to a process is patent eligible if the claim either “is tied to a particular machine” or “transforms an article into a different state or thing.” *See Bilski*, 2008 WL 4757110 at \*11 (*citing Benson*, 409 U.S. at 70).

Independent Claim 1, as amended, is directed to a computer-implemented method for estimating home values” that comprises “creating an equation . . . by the one or more **computer systems** using multiple linear regression techniques.” Thus, at least the emphasized language of Claim 1 makes clear that the method recited in Claim 1 is tied to a computing system. Because a computer system is a “machine,” the method of Claim 1 is “tied to a particular machine.” Therefore, the method recited in Claim 1 constitutes statutory subject matter under 35 U.S.C. § 101 according to the applicable case law.

For at least these reasons, Applicant respectfully submits that independent Claim 1 and its dependent claims meet the requirements of 35 U.S.C. § 101 and respectfully request that the 35 U.S.C. § 101 rejections of these claims be withdrawn. Claim 10, as amended, and its dependent claims meet the requirements of 35 U.S.C § 101 for at least analogous reasons. Favorable action is requested.

Claim 18 is allowable at least because the following limitations are directed to statutory subject matter:

***a computer readable storage medium;***

***computer software stored on the storage medium and operable to:***

create an equation using multiple linear regression techniques to calculate a plurality of coefficients each associated with one of a plurality of data types that is correlated with actual market prices of a plurality of homes, wherein the plurality of homes comprises a statistically significant number of homes, and

use the equation to estimate the particular home's value.

The above limitations of Claim 18 are directed to statutory subject matter at least because the claimed "computer software" is stored on the claimed "computer readable storage medium," thereby defining structural and functional interrelationships that permit the claimed functionality to be realized. According to the M.P.E.P., "a claimed computer-readable medium encoded with a computer program is a computer element which defines structural and functional interrelationships between the computer program and the rest of the computer which permit the computer program's functionality to be realized, ***and is thus statutory.***" M.P.E.P. § 2106.01 (citing *In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994) (emphasis added)).

Further, the United States Court of Appeals for the Federal Circuit has recently stated that 35 U.S.C. § 101 "explains that an invention includes 'any new and useful process, machine, manufacture or composition of matter.' ***Without question, software code alone qualifies as an invention eligible for patenting under these categories, at least as processes.***" *Eolas Technologies, Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1338-39 (Fed. Cir. 2005) (citations omitted) (emphasis added). Moreover, the Federal Circuit even more recently stated that "we decline to adopt a broad exclusion over software or any other such category of subject matter beyond the exclusion of claims drawn to fundamental principles set forth by the Supreme Court." *Bilski*, 2008 WL 4757110 at \*11 n.23. These unequivocal statements by the Federal Circuit clearly condone claims directed to software. For at least these reasons, Applicant respectfully submits that independent Claim 18 and its dependent claims meet the requirements of 35 U.S.C. § 101 and respectfully requests that the 35 U.S.C. § 101 rejections of these claims be withdrawn.

In rejecting Claims 18-24 under 35 U.S.C. § 101, the Office Action also states "it is deemed that a user uses a touch sensitive screen like the one available on a PDA (i.e. electronic paper) and using a pencil creates i.e. writes an equation to estimate value of a home." This rejection, however, is incorrect at least because Claim 18 recites the claimed

“*computer software*” is operable to “*create an equation*,” which clearly differs from the creative Office Action characterization of a *user writing an equation using a pencil*.

In rejecting Claims 1-24 under 35 U.S.C. § 101, the Office Action further argues that “Applicant has neither provided any formula(e) not [sic] examples on how one of ordinary skill in the art can use [A]pplicant’s invention to generate useful and concrete results.” The Office Action thus seemingly appears to base this particular non-statutory subject matter rejection on enablement grounds, which is incorrect, while inappropriately relying on the “useful, concrete, and tangible result” test, which the Federal Circuit recently explained “is insufficient to determine whether a claim is patent-eligible under 101.” *In re Bilski*, at \*20. Regardless, the Office Action refutes its own argument that the claimed invention fails to generate useful and concrete results at least because the Office Action asserts in the same paragraph on page 3 that the claimed computer software “estimates a value of a property by creating an equation and using the equation *to estimate the value of a property*,” which estimated value is itself a useful and concrete result. For at least analogous reasons, Applicant respectfully traverses the other rejections of Claims 1-24 under 35 U.S.C. §§ 101 and 112 on page 3 of the Office Action, which both incorrectly assert that “the claimed invention is not supported by either a specific and substantial asserted utility or a well established utility.” Favorable action is requested.

### **Section 112 Rejections**

The Examiner rejects Claims 1-24 under 35 U.S.C. § 112, first paragraph, as allegedly failing to comply with the enablement requirement. In addition, the Examiner rejects Claims 1-24 under 35 U.S.C. § 112, second paragraph, stating that these Claims are “vague and indefinite for failing to particularly point out and distinctly claim the subject matter which application regards as the invention.” Applicant respectfully traverses for at least the reasons below.

In rejecting Claims 1-24 under 35 U.S.C. § 112, first paragraph, the Office Action asserts the “Specification originally filed 20 February 2004 2008 [sic] does not enable how the [sic] one of the ordinary skill in the art can use Multiple Linear Regression and Builder Rating to estimate the value of a property.” This assertion, however, is incorrect. For example, Applicant’s Specification on pages 17-19 discloses various example embodiments of multiple linear regression analysis. A particular example on page 17, lines 13-25 discloses

the following:

In step 46, a regression analysis is performed with various statistics from database 32. This embodiment uses a multiple linear regression analysis but any suitable type of regression may be used. Typically, the market price of the home will be used as the dependent variable with one or more of the statistic types discussed above as independent variables. While market price may be used as a dependent variable, other measures predictive of market value may be used such as price per square foot. Note that steps 46-49 can be repeatedly performed for multiple dependent variables. In other words, steps 46-49 could be performed using market price and/or price per square foot as dependent variables.

Applicant's Specification thus discloses example embodiments of multiple linear regression analysis. For at least the above reasons, Applicant respectfully requests that the corresponding rejection under 35 U.S.C. § 112, first paragraph be withdrawn.

Applicant's Specification also provides adequate support for the "builder rating" limitations recited in dependent Claims 4, 12 and 21. For example, Applicant's Specification on page 12, line 14 through page 13, line 3 discloses the following:

With respect to builder indices, the invention may use builder indices available from various organizations, and/or a builder index calculated using the data in database 32. Organizations such as JD Power & Associates currently publish builder indices for various major metropolitan areas. Such indices may be aggregated on a national level, and/or used individually for the geographic area where a house is located. If no builder index is available for the particular geographic area where a house is located, then the best available data from a nearby area may be used. Alternatively, data in database 32 may be used to create an estimate on the value added to or subtracted from a home's value by the fact that a particular builder built a home. The regression techniques used below to estimate home value may also be used to determine a builder index. In some embodiments, builder indices with ratings for each builder may be available from multiple outside organizations. Multiple builder ratings may be used in the appraisal estimate without departing from the scope of the invention. A builder index could simply include ordinal rankings or another numerical measure such as, for example, a number of "stars."

Applicant's Specification thus provides adequate support for the limitation "wherein the plurality of data types includes a builder rating." For at least the above reasons, Applicant respectfully requests that the corresponding rejections of dependent Claims 4, 12, and 21 under 35 U.S.C. § 112, first paragraph be withdrawn.

In rejecting Claims 1-24 under 35 U.S.C. § 112, second paragraph, the Office Action asserts "it is not clear whether a user creates an equation every time user uses the invention,

or, claimed invention is programmed with a Multiple Linear Regression equation, provides user with an interface to enter values and claimed invention estimates a value, or, claimed invention is an application generator which generates an application with a new equation every time a user wants to use the invention.” However, these supplemental terms suggested in the Office Action, namely “a user,” “an interface to enter values,” and “an application generator,” do not even appear in any of the pending claims; and the law provides no requirement that a claim must be amended to clarify the supplemental elements or acts suggested by the Examiner. In contrast, the M.P.E.P. states that a rejection under 35 U.S.C. 112, second paragraph must include “an analysis as to why *the phrase(s) used in the claim* is ‘vague and indefinite.’” M.P.E.P. § 2173.02. To the extent the Examiner intends to maintain this rejection, Applicant respectfully requests that the Examiner provide an analysis of why a particular phrase of any of the pending claims is “vague and indefinite” by referring to the actual language of the claims, as the M.P.E.P. requires.

Perhaps the Office Action confused breadth of the claims with ambiguity. The M.P.E.P states, “Breadth of a claim is not to be equated with indefiniteness.” M.P.E.P. § 2173.04, citing *In re Miller*, 441 F.2d 689, 169 USPQ 597 (CCPA 1971). The M.P.E.P. further states, “If the scope of the subject matter embraced by the claims is clear, and if applicants have not otherwise indicated that they intend the invention to be of a scope different from that defined in the claims, then the claims comply with 35 U.S.C. § 112, second paragraph.” M.P.E.P. § 2173.04. Applicants respectfully submit that the scope of the subject matter embraced by the claims is clear, and does not render the claims indefinite.

For at least the above reasons, Applicant respectfully submits that Claims 1-24 meet the requirements of 35 U.S.C. § 112 and respectfully requests that all of the 35 U.S.C. § 112 rejections of these claims be withdrawn.

### **Section 103 Rejections**

The Examiner rejects Claims 1-24 under 35 U.S.C. § 103(a) over U.S. Patent No. 6,178,406 issued to Cheetham et al. (“*Cheetham*”) in view of RealStat - Econometric Solutions for Real Estate Appraisal (“*RealStat*”) and U.S. Patent No. 7,289,965 issued to Bradley et al. (“*Bradley*”). Applicant respectfully traverses for at least the reasons below.

For example, Claim 18 is allowable at least because the cited references fail to disclose, teach, or suggest “computer software stored on the storage medium and operable to: create an equation using multiple linear regression techniques to calculate a plurality of coefficients; and *use the equation* to estimate the particular home’s value.” Indeed, the Office Action fails to even address the limitation of “computer software . . . operable to . . . *use the equation* to estimate the particular home’s value.” Even if the Office Action had rejected Claim 18 using the same reasoning of the Claim 1 rejection, such a rejection would have been improper over the proposed *Cheetham-Realstat-Bradley* combination.

More specifically, in rejecting Claim 1 as originally filed, the Office Action on page 5 relies on *Cheetham* to teach the limitation of “*using the equation* to estimate the particular home’s value,” but this reliance is inconsistent with the Office Action statement on page 5 that “*Cheetham* does not explicitly recite *creating an equation* using multiple linear regression techniques to calculate a plurality of coefficients.” This reliance is also inconsistent with the Office Action statement on page 6 that “*Cheetham* in view of *Realstat* does not explicitly teach computer software with capability for *creating an equation*.” Thus, the Office Action acknowledges that both *Cheetham* and *Realstat* are deficient with regard to the creation of the claimed equation, but then the Office Action rejection of Claim 1 inexplicably relies upon *Cheetham* for disclosure of using the same equation. In short, *Cheetham* or *Realstat* can not possibly teach “computer software . . . operable to . . . *use the equation*” if these references do not even teach the claimed equation in the first place.

Furthermore, the Office Action relies on *Bradley* to teach the limitation of “computer software . . . operable to: *create an equation using multiple linear regression techniques to calculate a plurality of coefficients*,” but this also is not correct. More specifically, the Office Action states “*Bradley* teaches a computer system used during the appraisal process of real estate” and “*Bradley* teaches concept for generating a model for providing one or more results.” (*Office Action*, page 6). Notably, however, the Office Action fails to indicate any portion of *Bradley* allegedly teaching the limitation of “computer software . . . operable to: *create an equation using multiple linear regression techniques to calculate a plurality of coefficients*,” and instead the Office Action merely provides a short summary of other teachings in *Bradley* that do not constitute each and every element as set forth in the claim, as is required by the M.P.E.P. and governing Federal Circuit cases.

For at least these reasons, independent Claim 18 is allowable, as are all claims depending therefrom. Independent Claims 1 and 10 are allowable at least for analogous reasons, as are all claims depending respectfully therefrom. Favorable action is requested.

Independent Claim 1, as amended, is also allowable at least because the cited references fail to disclose, teach, or suggest “identifying, using one or more computer systems, a subset of a plurality of data types correlated with actual market prices of a plurality of homes by performing a correlation analysis on the plurality of data types, the correlation analysis using at least a correlation threshold and computer-readable data related to at least a subset of the plurality of homes.” For at least this additional reason, Claim 1 is allowable, as are all claims depending therefrom. Independent Claim 10 is also allowable at least for analogous reasons. Favorable action is requested.

Independent Claim 10, as amended, is also allowable at least because the cited references fail to disclose, teach, or suggest “deriving one or more values for the one or more builder indices using at least the equation created by the one or more computer systems.” For at least this additional reason, Claim 10 is allowable, as are all claims depending therefrom. Favorable action is requested.

**No Waiver**

Additionally, Applicant has merely discussed example distinctions from the references cited in the Office Action. Other distinctions may exist, and Applicant reserves the right to discuss these additional distinctions in a later Response or on Appeal, if appropriate. By not responding to any additional statements made in the Office Action, Applicant does not acquiesce to any such additional statements. The example distinctions discussed by Applicant are sufficient to overcome the Office Action rejections.

**CONCLUSION**

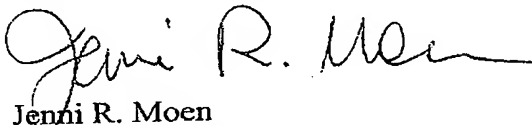
Applicant has made an earnest attempt to place this case in condition for immediate allowance. For the foregoing reasons and for other reasons clear and apparent, Applicant respectfully requests reconsideration and allowance of the pending claims.

Applicant does not believe any fees are due. However, the Commissioner is hereby authorized to charge any additional fees or credit any overpayment to Deposit Account No. 05-0765 of Electronic Data Systems Corporation.

If there are matters that can be discussed by telephone to advance prosecution of this application, Applicant invites the Examiner to contact its attorney at the number provided below.

Respectfully submitted,

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